

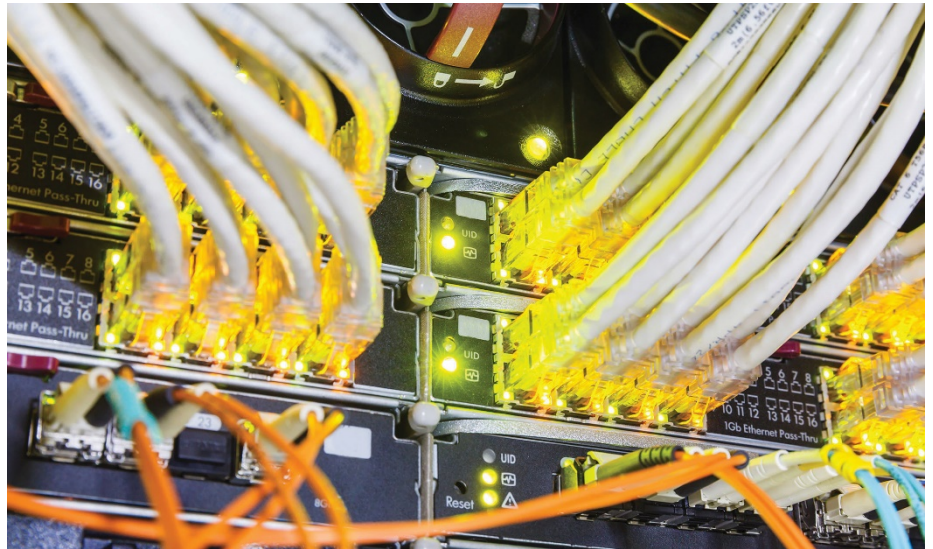
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BRIEFING

“LIVE”: THAILAND’S BLOCKCHAIN-BASED  
OTC PLATFORM FOR STARTUPS

DECEMBER 2018

- THAILAND INTRODUCES ONE OF THE WORLD’S FIRST BLOCKCHAIN-BASED OTC TRADING AND FUNDRAISING PLATFORMS.



This is the final briefing in our series on cryptocurrency and blockchain in Thailand. The previous editions focused on the regulation of ICOs and digital token offerings in Thailand, Thailand’s licensing regime for digital asset businesses, and investor protection in Thailand for ICOs and digital tokens.

“THAILAND HAS TAKEN A POSITIVE AND INNOVATIVE STEP IN PROMOTING INVESTMENT IN THAILAND...”

Thailand has taken a positive and innovative step in promoting investment in Thailand and increasing growth opportunities by launching its first blockchain-based crowd-funding platform known as LiVE. The decision demonstrates the Thai government’s growing receptiveness to developing cryptocurrency investment in Thailand.

**THAILAND’S BLOCKCHAIN-BASED LiVE OTC PLATFORM FOR STARTUPS**

Thailand’s two main stock exchange markets have recently been joined by a crowdfunding market. The Stock Exchange of Thailand (“SET”), is the main market operating in Thailand, providing opportunities for large companies with more than THB300m in paid-up capital (after IPO) to raise long-term funds. The Market for Alternative Investment (“MAI”) was established by the SET in 1998 under the Securities Act as an alternative stock market to provide opportunities for businesses with a high potential for growth to raise capital from the stock market. MAI listings require a minimum paid-up capital of THB200m, therefore providing a viable alternative for companies who may not have enough paid-up capital to list on the SET.

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“THE THAI GOVERNMENT HAS BECOME INCREASINGLY RECEPTIVE TO THE USE OF CRYPTOCURRENCY PROJECTS AND EXCHANGES, IN CONTRAST TO ITS ORIGINAL POSITION IN 2013.”

The SET has recently introduced its Launchpad and Investment Vehicle for Enterprises (“LiVE”) platform as a crowdfunding market. The platform uses blockchain technology to assist with the growth of startups, which will operate under the SET subsidiary “Live Fin Corp Co., Ltd.” LiVE provides crowdfunding for such businesses, allowing them to utilise the platform to reach a wider target audience and expand their customer base, sourcing support from both the public and private sectors.

LiVE provides an over-the-counter (OTC) trading service for startups and small to medium enterprises (“SMEs”), enabling them to access capital funding from investors who they may not otherwise be exposed to.

Businesses who wish to join the LiVE platform must:

1. be companies registered in Thailand;
2. whose founders and executives do not have criminal records; and
3. can supply financial statements and audits carried out by certified auditors.

The LiVE platform attracts investment from four types of investor:

1. institutional investors;
2. venture-capital funds;
3. corporate venture-capital funds; and
4. specific investors with annual income of THB4m, or combined assets of THB50m, and at least one year of investment experience.

The platform has received growing support, with eight businesses from various sectors launching crowdfunding using LiVE, and 50 other companies expressing interest amidst growing enthusiasm from investors.

This growth is significant, as in 2013, Thailand prohibited dealing in Bitcoin as a security, after the central bank ruled that it was not a currency. Their position changed in 2017 when the Bank of Thailand was ordered to relax its strict rules on blockchain currencies. In 2018, the governor of the Bank of Thailand stated that the bank is now considering using blockchain technology for various applications.

#### **CONCLUDING REMARKS**

The Thai government has become increasingly receptive to the use of cryptocurrency projects and exchanges, in contrast to its original position in 2013. The introduction of LiVE using blockchain as a means of crowdfunding provides a further opportunity for investment in startups and SMEs. Together with the SET and the MAI, LiVE is a positive step in promoting investment in Thailand and increasing growth opportunities.

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## FOR MORE INFORMATION

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Should you like to discuss any of the matters raised in this briefing, please speak with a member of our team below or your regular contact at Watson Farley & Williams.



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Publication code number: Bangkok\83548521v2© Watson Farley & Williams 2018

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